

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6841

BILL NUMBER: HB 1138

DATE PREPARED: Feb 22, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Local Government Administration.

FISCAL ANALYST: Valerie Ruda

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) This bill contains the following provisions, plus an update of population parameters.

Provision 1. This bill changes the membership of the Lake County Convention and Visitors Bureau.

Provision 2. It authorizes any municipality within the service area of a public or municipal water utility to adopt an ordinance to provide that the charges for the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection purposes must be included in the basic rates of all customers of the utility within the municipality. (Under current law, only the governing body of the governmental unit with the greatest number of customers of the utility may adopt such an ordinance.)

Provision 3. The bill authorizes a county other than Marion County to establish a department of storm water management. (Under current law, the department of public works acts as the department of storm water management in Marion County.)

Provision 4. The bill also provides that the clerk of the circuit court in each county may issue hunting, trapping, and fishing licenses. (Current law requires the clerk to issue the licenses.)

Provision 5. This bill changes the date by which the appropriations and annual tax levy ordinance must be passed from the first Monday in September to September 20 for a third class city and September 30 for a second class city.

Provision 6. It provides that a second class city may pay each commissioner on the board of parks an annual salary in an amount fixed by the fiscal body.

This bill also updates population parameters to reflect changes in the 2000 decennial census. It makes

conforming changes.

Effective Date: (Amended) Upon Passage; July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Provision 1.-* This bill would require the Lake County Convention and Visitors Bureau (Bureau) to have 15, rather than 13, members. Current statute provides that the executives of the six largest municipalities in the county must appoint one member per municipality. The two additional members would be appointed by the executives of the next two largest municipalities in the county. The Bureau could experience an increase in expenses, as it reimburses its members for necessary duty-related expenses. The Bureau does not pay its members salaries. All expenses of the Bureau are paid from the county Convention, Tourism, and Visitor Promotion Fund.

According to this bill, additional municipalities may experience reduced administrative costs associated with the billing of fire protection service charges to customers. The impact of this bill would be dependent on local action.

Provision 4.- The bill changes the requirement that the circuit court must provide migratory waterfowl licensing stamps to allow the circuit court to provide the stamps. This provision has no fiscal impact.

Provision 5.- This bill also changes the date by which the appropriations and annual tax levy ordinance must be passed from the first Monday in September to September 20 for a third class city and September 30 for a second class city. Municipalities would experience minimal impact from this provision of the bill, as the change in dates coincide with the timing of local budget processes.

Provision 6.- The bill also provides that a second class city may pay its commissioners an amount determined by the fiscal body, rather than an amount not greater than \$600. The fiscal impact of this provision is dependent on local action.

Explanation of Local Revenues: (Revised) *Provision 2.-* This bill provides that any municipality located within the service area of a public or municipal water utility may adopt an ordinance that allows for a new rate schedule to be made for charging customers for public fire protection services. The new rate schedule would eliminate fire protection charges billed directly to those municipalities who choose to enact such an ordinance, except for construction costs for installing new fire hydrants. The schedule would be based on an amount equal to the revenues lost from the elimination of fire protection charges divided by the current number of meters (five-eighths inch).

Currently, only the governing body of the municipality with the greatest number of customers may adopt an ordinance providing that fire protection service costs be recovered through the basic rates of all the utility's customers.

This provision of the bill does not apply to public utilities or municipally owned water utilities providing services in a county containing a consolidated city and portions of counties that are adjacent to a county containing a consolidated city.

Provision 3.- The bill also allows for counties to adopt a local ordinance for establishing and operating a department of storm water management consisting of a storm water management board and a storm water district. The board would include either the members of the county executive and the County Surveyor, or the County Drainage Board, any of which would serve their terms coextensively. The board is not entitled to either a salary or per diem, however, expenses for duty-related activities would be reimbursed.

If a county creates a storm water management department, the board may charge a user fee to all property in the storm water district for financing the acquisition, construction, installation, operation, and maintenance of land and facilities for storm water systems. Municipalities are currently able to adopt ordinances under this provision. They typically collect a user fee per standard residential dwelling unit or by the amount of impervious surface area on commercial land.

In addition, the board may collect a special benefit tax which is to provide revenue for financing special taxing district bonds of the storm water district, and is to be collected on the semiannual property tax statements for those properties within the district. The special taxing district bonds may be used to cover capital expenses for storm water systems. County revenues may also be used to cover these expenses. This provision would not overlap any existing storm water district. The specific fiscal impact per county is dependent upon local action.

State Agencies Affected:

Local Agencies Affected: Municipalities.

Information Sources: Karen Arland, Ice Miller, 236-2244.